

Upper Cumberland TENNESSEE

REGIONAL STRATEGIC PLAN



TABLE OF CONTENTS

Executive Summary	2
Regional Overview	4
Regional Strategies	8
Action Items	10
Regional Partners	12





Upper Cumberland Tennessee



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*Cannon, Clay, Cumberland, DeKalb,
Fentress, Jackson, Macon, Overton,
Pickett, Putnam, Smith, Van Buren,
Warren, White.*

EXECUTIVE SUMMARY

Gov. Bill Haslam's top priority is making Tennessee the No. 1 location in the Southeast for high-quality jobs. In April 2011, Governor Haslam released his Jobs4TN plan, which laid out four key strategies for achieving this ambitious goal. The four strategies are (1) prioritizing business development efforts in six key clusters in which the state has a competitive advantage; (2) reducing business regulation; (3) investing in innovation; and (4) establishing regional "jobs base camps" in each of nine regions across the state. One of those nine regions is Upper Cumberland.

In developing an economic strategy for the Upper Cumberland, ECD's regional staff collected strategic plans produced by regional economic development partners, state agencies and individual counties. The plans were analyzed for common themes and shared opportunities and challenges. Next, regional stakeholders came together

to establish a general framework for setting priorities and identifying key projects. After ranking the potential impact of the projects on the region's economic development, priorities were identified, along with action plans and timelines for implementation. Finally, a general strategy for the areas of new business recruitment, existing business outreach, innovation, and workforce development was developed drawing heavily on counties' existing plans.

The Upper Cumberland is a 14 county region situated at the intersection of the Central Basin, the Eastern Highland Rim and the Cumberland Plateau. Cookeville and Putnam County serve as the hub of the region, home to Tennessee Technological University (TTU). The region also has five community colleges and three Tennessee Technology Centers. The Upper Cumberland is centrally located between three of the state's four major metropolitan areas,

Nashville, Knoxville and Chattanooga, and has excellent access to interstate systems, with Interstate 40 running through the center of the region. Manufacturing serves as the region's largest employment sector followed by retail and healthcare. Agriculture and tourism are also leading industries.

The region's recruitment strategy relies on precise identification of target industry coupled with effective promotion of available sites and a systematic approach of educating and supporting communities in economic development. Working with regional partners, communities will compile and distribute an inventory of available workforce, infrastructure and other assets. Local economic development professionals will continue to have access to training and support in site development and promotion as well as targeted marketing to aid in bringing new jobs to the region.

The existing business outreach strategy provides for concrete assistance and support for existing companies paired with a proactive response to all retention opportunities. The region's strong network of economic development partners is an essential piece of this strategy, and ECD will continue to work with local chambers of commerce to ensure that the needs of Upper Cumberland businesses are being met.

The focus of the region's innovation strategy is to promote business development and entrepreneurship. Underlying this strategy is awareness of the importance of creating an innovation culture in the Upper Cumberland. Linking entrepreneurs with resources, promoting the Regional Accelerator Programs and helping rural communities identify and capitalize on innovation opportunities will help to lay a foundation for the future.

Workforce development has been identified in virtually every planning effort across the region as a major concern and efforts to address this need are underway. Upper Cumberland businesses consistently express a need for stronger focus on the STEM disciplines, skilled trades and technical training. Increased private sector involvement and specific identification of training gaps will improve the planning and delivery of training programs and ultimately the quality of the workforce.

REGIONAL OVERVIEW

Sections of the Central Basin, the Eastern Highland Rim and the Cumberland Plateau converge to form Tennessee's Upper Cumberland Region, one of the most geographically diverse areas in the southeastern United States. Centrally located between three of the state's four major metropolitan areas (Nashville, Knoxville and Chattanooga), fourteen counties comprise the Upper Cumberland: Cannon, Clay, Cumberland, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Putnam, Smith, Van Buren, Warren and White.

With its low cost of living and affordable land rates, the Upper Cumberland is an ideal place to live and do business. Vast amounts of natural resources including mountains, forests, flatlands, rivers and three major TVA lakes, make the region one of the country's finest destinations for recreational tourism. Intersected east to west by one of the nation's most highly traveled arteries, I-40, and north to south by US Highway 111, the region is also well-suited for the growth of business and industry. These roadways provide essential access to the vast majority of the more than 338,000 people who live in the region, which is also served by eight general aviation airports.

One of the region's greatest assets is its network of higher learning institutions. Anchored by Tennessee Technological University in Putnam County, the Upper Cumberland is home to five community college branches and three Tennessee Technology Centers. The Upper Cumberland Development District also plays a vital role in the region by partnering with ECD and other federal, state and private entities to assist counties, municipalities and private companies in accessing funding for infrastructure, training, and economic development.

Cookeville and Putnam County are often referred to as the hub of the Upper Cumberland and function as the center for industry and retail business in the region. TTU serves as the area's land grant institution serving counties from the Kentucky border to the outskirts of Chattanooga. Because of its natural beauty, excellent access to interstate systems and low tax burden, the region is a prime location for business and industry.

A central player in the region's approach to economic and community development is TECH-REDI, the Regional Economic Development Institute at TTU. TECH-REDI is a resource to government, education and industry partners who have long been engaged in economic development in the Upper Cumberland. The

mission of the organization provides for funding and support of micro-level projects that would not otherwise be considered under traditional funding guidelines. To that end, multiple short-term initiatives of moderate cost will be sourced in collaboration with ECD staff and other regional partners, including the Appalachian Regional Commission (ARC), USDA Rural Development, TVA, Upper Cumberland Development District, Upper Cumberland Human Resource Agency, State of Tennessee's Departments of Education, Labor and Workforce Development, local chambers of commerce and local elected officials.

According to the Tennessee Department of Labor and Workforce Development, the Upper Cumberland region is home to a workforce of more than 153,000 that are employed by 6,000 entities, including 471 companies in the manufacturing sector. In 2010, retail sales exceeded \$3.5 billion, up from \$3.23 billion in 2009. Over this period, the unemployment rate held steady at 10.6 percent. Manufacturing is the largest employment sector followed by retail and healthcare. Population has steadily increased, outpacing the state and national population growth rates for the last decade. The region's workforce is also younger than the state and national averages.

Some of the most pressing needs facing the Upper Cumberland are expansion of infrastructure to remote rural areas; recruitment of new companies; support and expansion of existing businesses and industries; elevation of education standards to answer the needs of a diversifying economy; and the forging of a regional "brand identity" that will help unite communities in the region together towards these shared goals.

Cannon County: Considered both part of the Upper Cumberland and the Nashville metropolitan area, Cannon County is well known for its artisan white oak baskets and furniture, with pieces in both the Tennessee State Museum and the Smithsonian Institution. Through a Tennessee Department of Transportation (TDOT) Enhancement Grant in 2010, the Woodbury courthouse square renovation project was completed in hopes to stimulate commercial activity in the county seat.

Clay County: Located in the northeast area of the Upper Cumberland region, Clay County is home to six marinas and several lodges on Dale Hollow Lake, which 3.5 million people visit annually. Planned expansion of Highway 52 to four lanes from

Livingston to the county seat of Celina is expected to vastly improve the area's economic outlook.

Cumberland County: Cumberland County, one of the fastest growing areas of the state, with a 62 percent population increase between 1990 and 2010, largely due to the county's growing retiree population. Factors such as site availability, adequate transportation and utility infrastructure, and the county's location on I-40 less than an hour from Knoxville are great selling points for businesses considering relocating or expanding in the region.

DeKalb County: One of Tennessee's tourist hotspots due to its close proximity to Center Hill Lake, DeKalb County plays host to many traditional "old time" events. As a commuter community located almost halfway between Nashville and Cookeville, Smithville, the county seat, remains a vital growth area. Local companies manufacture hundreds of thousands of parts used in the automotive industry each year.

Fentress County: Fentress County is a thriving center for equine tourism and business. Its communities are known for heritage and history and access to Big South Fork State Park. Plans are underway to redevelop Jamestown's 1920s-era York Institute Building, listed on the National Register of Historic Places as a regional center for teaching and research.

Jackson County: Abundant wildlife, hardwood forests and numerous streams make Jackson County a haven for outdoor sports enthusiasts. The recent purchase of the Cummins Falls Natural Area and renewed interest in the deep water port on the Cumberland River near Gainesboro provide two potential economic engines for the county and the Upper Cumberland region.

Macon County: Macon County is a model for broadband and telecommunications development. The county is in the process of providing fiber optic technology to an additional 1,000 businesses and 15,000 homes over the next few years through \$50 million in grants and loans. With downtown revitalization projects underway in Red Boiling Springs and Lafayette and with a recently updated municipal airport, the county is an ideal location for large companies, small businesses and emerging industries.

Overton County: Overton County is home to branches of

Volunteer State Community College and the Tennessee Technology Center at Livingston. The county has recently broken ground on a new spec building and has a municipal airport. Access to Dale Hollow Lake, abundant water supply and available land provide an excellent opportunity for growth in the agribusiness sector.

Pickett County: Connected to the southern Upper Cumberland by Highway 111, Pickett County has broken ground on a new Welcome Center to act as a marketing hub for county and regional businesses. Located between two Army Corps of Engineers lakes, the area hosts thousands of tourists annually. The recent rehabilitation of an existing industrial facility in Byrdstown has created new jobs and a positive outlook for future growth.

Putnam County: Putnam County is the geographic hub of the Upper Cumberland. Ranking 17th in dollars spent by visitors to Tennessee, the county is the region's center for manufacturing and retail trade. Access to major transportation corridors is a huge advantage to area logistic and transportation companies. Cookeville is also the site of I-40's most frequented exit and is an emerging retail center. A new business park is scheduled for completion in 2012.

Smith County: Smith County is considered part of both the Nashville metropolitan area and the Upper Cumberland, and the county's proximity to Nashville and interstate exposure are advantageous to business and industry. The economic outlook for the county has recently been boosted by the rehabilitation of the Cordell Hull Bridge which connects South Carthage with downtown Carthage.

Van Buren County: Centrally located between Chattanooga, Knoxville and Nashville, Van Buren County is poised for potential growth. The Upper Cumberland's vital north to south Highway 111 corridor runs through the county seat of Spencer, providing easy access to the area's abundant natural resources including Fall Creek Falls State Park and other outdoor recreational opportunities.

Warren County: Considered to be one of the country's foremost plant nursery centers, Warren County is home to the state's first-of-its-kind solar energy farm. The county is also home to the Mechatronics Technology Program at Motlow State Community College in McMinnville, which targets gaps in existing technical

training in order to equip a new workforce with the skills needed to remain competitive in today's emerging high-tech economy.

White County: An attractive destination for business and industrial development, White County has a prime location on Highway 111 and close proximity to I-40. A 50,000 square foot spec building has recently been constructed in an industrial park adjacent to the Upper Cumberland Regional Airport, which features a recently upgraded 6,700-foot runway.

UPPER CUMBERLAND TENNESSEE *AT A GLANCE*

	Population 2010	Median Age 2005-2009	HS Graduate or Higher % Population aged 25+	Bachelor's or Higher % Population aged 25+	Labor Force (Oct. 2011)	Available Labor (Oct. 2011)	Unemployment Rate (Oct. 2011)	Average Private Sector Annual Income (2010)	Nearest Public Riverport (in miles from county seat)	Nearest Commercial Airport (in miles from county seat)	Nearest Interstate (in miles from county seat)
UPPER CUMBERLAND	338,158	40.1	74.4%	13.6%	157,110	16,080	9.2%	\$30,421	Lenoir City, Nashville and South Pittsburg	Chattanooga Metropolitan, Knoxville McGhee Tyson and Nashville International	I-40
Cannon	13,801	40.6	75.9%	11.1%	6,710	600	8.0%	\$27,416	Nashville - 53 miles	Nashville International Airport - 52 miles	22 miles to access I-24
Clay	7,861	44.9	69.7%	11.4%	3,370	390	10.3%	\$25,911	Nashville - 108 miles	Nashville International Airport - 101 miles	36 miles to access I-40
Cumberland	56,053	46.9	78.6%	15.8%	23,540	2,420	9.3%	\$29,542	Knoxville - 69 miles	Knoxville McGhee Tyson - 70 miles	Direct access to I-40
DeKalb	18,723	39.2	69.1%	10.6%	10,070	980	8.7%	\$29,629	Nashville - 66 miles	Nashville International - 59 miles	13 miles to access I-40
Fentress	17,959	41.2	69.9%	9.3%	8,000	900	10.0%	\$26,601	Lenoir City - 87 miles	Knoxville McGhee Tyson - 104 miles	35 miles to access I-40
Jackson	11,638	43.4	69.6%	8.6%	5,080	600	10.8%	\$33,193	Nashville - 89 miles	Nashville International Airport - 82 miles	17 miles to access I-40
Macon	22,248	36.5	71.1%	8.1%	10,800	1,000	8.2%	\$27,713	Nashville - 58 miles	Nashville International - 65 miles	35 miles to access I-40
Overton	22,083	40.6	70.2%	10.1%	10,050	980	8.8%	\$30,906	Nashville - 101 miles	Nashville International - 94 miles	19 miles to access I-40
Pickett	5,077	40.3	73.1%	10.7%	1,900	280	13.7%	\$24,142	Knoxville - 113 miles	Nashville International - 114 miles	41 miles to access I-40
Putnam	72,321	35.4	79.0%	21.7%	37,100	3,360	8.2%	\$30,930	Nashville - 80 miles	Nashville International - 72 miles	Direct access to I-40
Smith	19,166	38.9	76.5%	12.2%	9,420	900	8.6%	\$34,664	Nashville - 56 miles	Nashville International - 49 miles	Direct access to I-40
Van Buren	5,548	41.7	69.0%	8.7%	2,420	290	10.6%	\$25,505	South Pittsburg - 63 miles	Chattanooga Metropolitan - 68 miles	28 miles to access I-40
Warren	39,839	38.3	72.0%	11.2%	17,540	2,050	10.5%	\$33,416	South Pittsburg - 65 miles	Nashville International - 78 miles	21 miles to I-24 33 miles to I-40
White	25,841	40.6	72.4%	10.1%	11,110	1,330	10.7%	\$32,300	South Pittsburg - 77 miles	Nashville International - 89 miles	16 miles to access I-40

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development

REGIONAL STRATEGIES

Recruitment

There is a renewed commitment to regionalism in the Upper Cumberland, and community and business leaders are dedicated to a focused economic development approach designed to attract jobs to the entire region. The recruitment strategy relies on precise identification of target industries coupled with effective promotion of available sites and a systematic approach of educating and supporting communities in economic development.

Establishing a comprehensive inventory of available sites and property with development potential is a fundamental element of recruitment. ECD staff will partner with TVA to assist each county in preparing an Asset Inventory, which will include detailed information on all available sites, buildings and land. Communities will also have access to assistance with maps and conceptual design plans for undeveloped sites or those in need of renovation or reuse. Each community will also develop a County Profile, which will provide information about workforce, transportation, education, utilities, natural resources and existing industry. The TECH-REDI website will have a link to each County Profile and Asset Inventory.

Staying connected with state, regional and national economic development partners is essential. Providing them with regular updates on site availability and workforce development initiatives will increase the region's exposure. Counties will identify their top products from their asset inventory. This information will be distributed regularly to ECD's project management team, TVA economic development staff and site selection consultants.

Local and regional economic developers and community leaders will have access to training and support in effective site development and promotion. Regional partners, TVA and USDA Rural Development will continue to offer training on economic development related topics. Chambers of commerce and industrial boards will host training sessions and seminars directed at elected officials, community and business leaders.

Targeted marketing plans underscore the region's qualified workforce, ample access to transportation corridors, low tax burden and abundant natural resources. Identifying suppliers and customers of existing companies in the region will also be a key

recruitment strategy. Information will be collected from existing businesses about their primary suppliers and customers and they will be asked to identify critical needs. A targeted recruitment approach for these suppliers and customers will be developed and implemented with the help of ECD Project Management.

Existing Business Outreach

The existing business outreach strategy will focus on providing concrete assistance and support for existing companies. The strong network of regional economic development partners is an essential piece of this strategy.

ECD staff will organize an Existing Business Outreach Committee composed of representatives from the following: TVA, USDA Rural Development, Tennessee Department of Labor and Workforce Development, UT Center for Industrial Services, Upper Cumberland Development District, TECH-REDI, utility companies, local chambers of commerce and local industrial boards. The task of this Committee will be creating a list of the largest and most important employers in the region as well as a list of young and growing companies. ECD staff will work with the committee to ensure that top employers and at-risk companies are receiving ample support and that expansion opportunities are maximized.

Strong and proactive local chambers of commerce are a vital part of a successful existing business outreach program. Likewise, local economic development leaders must have access to sound economic development training. Economic and community development training will be offered through the region's chambers and TECH-REDI including workshops like TVA's economic development courses in prospect development, proposal development, product development and existing industry development.

Innovation

The focus of the region's innovation strategy is to promote business development and entrepreneurship. Underlying this strategy is awareness of the need to create a culture of innovation in the Upper Cumberland. The goal is for elected officials as well as community and business leaders to gain a deeper understanding of the role innovation plays in economic development. In keeping

with Governor Haslam's Jobs4TN plan, efforts will focus on these five key areas - innovation, commercialization, investment, technology and entrepreneurship.

Connecting entrepreneurs with resources to help launch and build new companies is one way to provide support. ECD staff will continue to provide information about early stage planning assistance, grant funding, low interest loans, investment networks, business incubators and the Regional Entrepreneurial Accelerators. It is also important to promote those programs already working with entrepreneurs and technology-based businesses, such as TNInvestco, Tennessee Small Business Development Centers, Small Business Administration and Startup Tennessee.

The USDA Rural Development Annual Conference will include a session on innovation featuring The Entrepreneur Center and Startup Tennessee. The session will give guidance to communities on the value of entrepreneurship and methods to promote small business growth.

Unique innovation opportunities exist in some of the more rural counties of the region. Examples include: recruiting business services companies that could utilize vacant buildings that may be ill-suited for other industrial purposes; sponsoring a Top Chef-type entrepreneur competition, awarding the winner with rent-free space in a vacant industrial building; setting up a matchmaking event with entrepreneurs and investors; or developing a targeted business services strategy capitalizing on available buildings and local workforce.

Workforce Development

Workforce development has been identified in virtually every planning effort across the region as a major concern and efforts to address this need are underway. Strategies will seek to deliver better prepared employees to companies by having specific and comprehensive data on training gaps and working with educational institutions to fill those gaps effectively. Greater involvement by business and industry in the planning and implementation of training programs will yield a stronger, well-equipped workforce and will best utilize our education resources.

Business and community leaders are calling for a more qualified work pool with a focus on soft skills and general work ethic. Graduates at all levels are preparing for saturated job markets, while technical and occupational positions remain unfilled. ECD staff will work to facilitate connections within the network of regional partners in this area to inform the unemployed and underemployed about training opportunities.

There is a significant opportunity to strengthen the involvement of the private sector in workforce development efforts. For example, middle and high school students need accurate information to allow them to make suitable choices about post-secondary education and training. By adopting schools and mentoring middle and high school students, business leaders can help these students better understand the career opportunities that exist.

ACTION ITEMS

Action Item #1: Recruit regional Infrastructure Improvement teams to identify deficiencies and recommend strategies for improvements that will have the greatest impact on job creation.

During strategic planning sessions, stakeholders in the Upper Cumberland placed a heavy emphasis on needs assessment. Four teams will identify infrastructure needs limiting the region's economic growth. The first team will focus on existing buildings and be facilitated by TVA. This team will look for "low hanging fruit" opportunities and funding sources to renovate or reuse existing buildings that could be used to attract new industry to the region. The second team will look at rail service and will be facilitated by the Fentress-Morgan Rail Authority. This team will evaluate the region's potential for rail service and offer recommendations for expansion of the rail system. The third team will focus on the region's innovation assets and be facilitated by TECH-REDI. This team will conduct an inventory of the region's innovation assets and identify gaps in service. The fourth team will identify water and sewer infrastructure and be facilitated by the Upper Cumberland Development District. This team will work to secure funding for water and sewer projects that service developing industrial parks and underserved areas. All of these teams will have their reports complete by June 2012.

Action Item #2: Create a network of support for chambers of commerce that will deliver functional assistance and collaborative opportunities, improve service to existing companies and assist communities in recruiting new businesses.

ECD staff will work with Upper Cumberland chambers of commerce to ensure they are taking advantage of all available resources offered by regional partners and others. Chamber staff will have access to technical assistance to ensure that their websites are updated, contain appropriate links and working properly. ECD staff and regional partners will promote a chamber of commerce exchange in which chamber board or committee members and staff will share best practices with other chambers in the region.

Action Item #3: Host an innovation forum that high-

lights the importance of entrepreneurship and technology in job creation and economic growth.

The event, coordinated by ECD staff and regional partners, will give entrepreneurs, existing business owners, community leaders and elected officials the chance to learn why innovation must be an essential component in the regional economic strategy and how to utilize the resources they need. Entrepreneurs and owners of growing businesses will be able to find information about accessing capital funds and low interest loans, connecting with mentors and investors, develop commercialization partnerships and innovation networks. Other stakeholders will have an opportunity to find out about existing programs, technology-based economic development, and best practices for leveraging innovation assets into new jobs. The forum will also serve as a platform for identifying business leaders, skilled retirees and others who are willing to serve as mentors.

Action Item #4: Identify workforce training and technical education programs that address the specific needs of existing and future employers and connect these programs with existing employers.

The first step in this process will be expanding the Highlands Initiative's Workforce Development Study and Education and Training inventories to encompass the entire region. These studies will provide an initial sense of what the training gaps are using quantitative data gathered from the region. In addition, ECD staff and other partners will work together to survey existing businesses to determine their unmet training needs. This will include gathering knowledge from the existing business outreach programs of local economic development organizations as well as posting and distributing a formal business survey on the Highlands and TECH-REDI websites. After this data is gathered and analyzed, regional partners will convene and determine what training gaps exist and how best to address them. Potential partners in this endeavor include the Tennessee Department of Education, Tennessee Department of Labor and Workforce Development, Tennessee Career Centers, Tennessee Technology Centers, TTU, Motlow State Community College, Nashville State Technical Community College, Roane State Community College and Vol State Community College. As part of this effort, each of

these education and training facilities will establish a workforce development point of contact. Regional and local economic development professionals will be made aware of these contacts so that economic developers can connect existing businesses to these training institutions in an efficient and reliable manner. These partners will identify their workforce development contacts and develop a plan to address training gaps by no later than June 2012.

UPPER CUMBERLAND TENNESSEE REGIONAL PARTNERS

- Appalachian Regional Commission
- Connected Tennessee
- Local Chambers of Commerce
- Local Utility Districts
- Middle Tennessee Industrial Development Association
- Motlow State Community College
- Nashville State Community College
- Roane State Community College
- Startup Tennessee
- Tennessee Career Centers
- Tennessee Department of Agriculture
- Tennessee Department of Economic and Community Development
- Tennessee Department of Environment and Conservation
- Tennessee Department of Labor and Workforce Development
- Tennessee Department of Tourist Development
- Tennessee Department of Transportation
- Tennessee Small Business Development Centers
- Tennessee Technological University/TECH-REDI
- Tennessee Technology Centers
- Tennessee Valley Authority
- Upper Cumberland Development District
- U.S. Department of Agriculture Rural Development
- U.S. Economic Development Agency
- U.S. Small Business Administration
- University of Tennessee Center of Industrial Services
- University of Tennessee Municipal Technical Advisory Service
- University of Tennessee County Technical Assistance Service
- Volunteer State Community College

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